



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 13-0116, **Version:** 1

- a. Accept a Community Development Block Grant (CDBG) in the amount of \$1,036,400 for (i) a Housing Acquisition/Rehabilitation activity for the Camphora Highlands Farm Labor Camp and (ii) a Planning and Technical Assistance Study for a Regional Cut Flower Transportation Consolidation Study;
- b. Accept a match of \$1,820 from the California Cut Flower Commission;
- c. Approve amending the Community Development Grant FY 2012-2013 adopted budget, Fund 013, Unit 8200 by increasing appropriations and revenues by \$1,038,220; and
- d. Authorize the Auditor-Controller's Office to incorporate the approved appropriations and revenue modifications in the FY 2012-2013 Budget.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Accept a Community Development Block Grant (CDBG) in the amount of \$1,036,400 for (i) a Housing Acquisition/Rehabilitation activity for the Camphora Highlands Farm Labor Camp and (ii) a Planning and Technical Assistance Study for a Regional Cut Flower Transportation Consolidation Study;
- b. Accept a match of \$1,820 from the California Cut Flower Commission;
- c. Approve amending the Community Development Grant FY 2012-2013 adopted budget, Fund 013, Unit 8200 by increasing appropriations and revenues by \$1,038,220; and
- d. Authorize the Auditor-Controller's Office to incorporate the approved appropriations and revenue modifications in the FY 2012-2013 Budget.

SUMMARY:

On March 27, 2012, the Board of Supervisors held a public hearing to consider applying to the California Department of Housing and Community Development (HCD) for a Community Development Block Grant (CDBG). The grant application had two components: (i) a Housing Acquisition/Rehabilitation project for the Camphora Highlands Farm Labor Camp; and, (ii) a Planning and Technical Assistance Study for a Regional Cut Flower Transportation Consolidation Study. The Board approved the application and the County has received notice that the grant application was awarded on August 27, 2012. The County entered into a Standard Agreement with the State on December 27, 2012. The recommended action approves amending the budget and authorizes the Auditor-Controller's Office to make the necessary budget adjustments and allow the County to begin using the grant funds.

DISCUSSION:

The County has been awarded a CDBG grant for two activities.

The first activity is for housing acquisition refinancing and rehabilitation of the Camphora Highlands Farm Labor Camp owned and operated by South County Housing (SCH). There are two elements of the proposed activity. The first element involves pay down of a portion of the Seller Take Back note which is due in October of 2013. Paying down this acquisition debt will help ensure that SCH has the cash flow necessary to maintain the long-term affordability of the project. The second element is improvements to the water storage and distribution system. Proposed construction will improve the domestic water supply to residents and increase storage capacity for fire suppression. The CDBG grant is \$1,000,000 for this activity, of which \$75,000 will be for administration of the grant. The bulk of the grant, \$777,000, will be used for the refinance; \$129,150 will

be used for construction of the improvements; and \$18,850 will be for miscellaneous activities including title and legal costs associated with the refinancing, permits, wage monitoring, procurement, and project management. SCH will have to complete environmental reviews sufficient to satisfy the requirements of the California Environmental Quality Act (CEQA) and National Environmental Protection Act (NEPA) prior to beginning any activity that will be funded with CDBG funds.

The second activity is a Planning and Technical Assistance study to evaluate the feasibility of a regional cross dock consolidation facility for the cut flower industry. The project is championed by the California Cut Flower Commission (CCFC). In 2011, CCFC conducted an analysis of the transportation practices of the cut flower industry in California. The study indicated that the California cut flower industry could increase its share of the national cut flower market by consolidating state-wide flower shipments prior to pick up by the major transportation companies. CCFC believes that growers in the Monterey Bay Area could realize increased market share and decreased shipping costs by consolidating shipments regionally before they are transferred to Oxnard for shipment to their end destination. The CDBG grant is \$36,400 for this activity and CCFC will provide the required match of \$1,820 for a total of \$38,220. There is an allocation of \$1,820 for administration of the grant.

OTHER AGENCY INVOLVEMENT:

None.

FINANCING:

There is no impact to the General Fund. The CDBG Grant of \$1,036,400 and California Cut Flower Commission match of \$1,820 cover all project costs. Grant revenue and expenditures will be budgeted in Community Development Grants, Fund 13, Unit 8200.

Prepared by:

Approved by:

Jane Royer Barr
Housing Program Manager
(831) 755-5389

Linda B. Guillis
Interim Director of Economic Development
(831) 755-5383

ATTACHMENTS: Award letter from HCD and Standard Agreement cover page